REMARKS

This amendment is offered in response to the Office Action of May 3, 2004.

An RCE is being filed with the present amendment.

At the outset, the Applicant wishes to thank the Examiner for the helpful telephonic interview of September 22, 2004.

The Office Action rejected claims 1-3, 5-16 and 18-34 under 35 U.S.C. §103(a) as obvious over the Haugerud reference (U.S. Patent No. 4,712,184) in view of the Chainani reference (U.S. Patent No. 5,724,074).

Independent claims 1, 14 and 27 have been amended to recite that the display is "integral within" the toy building element. Additionally, Claims 1 and 27 have been amended to include the language of Claim 14 "to thereby form a single unit" (referring to the display being "integral within" the toy building element).

It is respectfully submitted that this language clearly distinguishes over the proposed combination of the Haugerud and Chainani references in that the Chainani reference teaches a computer display separate from the toy element and the Haugerud reference teaches a control unit (element 1) separate from the toy element. As discussed in the telephonic interview, the term "integrated in" was given a very broad interpretation by the Office Action, whereas the phrase "integral within" is a more precise term.

It is therefore respectfully submitted that the presently pending claims are patentable over the cited references. For all of the reasons above, it is respectfully submitted that all of the presently pending claims are in immediate condition for allowance. The Examiner is respectfully requested to withdraw the rejections of the claims, to allow the claims, and to pass this application to early issue.

Respectfully submitted,

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